



Office of Management Services Customer-Centric Report

July 1, 2008 - June 30, 2009

Mission Statement

The mission of the Comptroller's Office is to improve the quality of life for all Tennesseans by making government work better.

Tribute to two leaders

The Comptroller's Office (COT) has been fortunate to have employed great leaders:

Charles L. Harrison, CPA, CGFM, and Charles H. Bilbrey, CISA, CGFM.

Both served in vital leadership roles since OMS' creation in 1980 until their retirement this year. Although their management styles differed, they created a well-blended management team. Both have dedicated most of their lives to improving the quality of life for their fellow citizens. The State of Tennessee has greatly benefited from their exemplary service and leadership.

Charles L. Harrison began his career with COT in 1969 as a financial/compliance auditor. He was appointed director in 1980 and assistant to the Comptroller in 1984. Mr. Harrison has a bachelor's degree in Business Administration with an Accounting major from the University of Tennessee and is a Certified Public Accountant (CPA) and a Certified Government Finance Manager (CGFM). Mr. Harrison also served his community and profession in various leadership roles. Mr. Harrison was presented with SJR 657 for his honorable and astute service to the people of Tennessee.

Charles H. Bilbrey began his career in 1965 working for Boeing Aerospace as an associate engineer in preparation for landing a man on the moon by 1969. After working as a financial systems manager, he began his career in COT creating the information system audit function. In 1980, he was appointed as assistant director for OMS. Mr. Bilbrey has a bachelor's degree in Physics/Mathematics from Tennessee Technological University and is a CGFM and a Certified Information Systems Auditor (CISA).

Overview

The Office of Management Services (OMS) provides administrative support to the Comptroller's Office (COT) in the following areas:

- human capital management;
- financial and budgetary management and control;
- information technology support and development services and
- procurement oversight services.

FY 09 The perfect storm

If you have seen the movie, *The Perfect Storm*, you will recall several unexpected and rare meteorological events came together at once to create a storm of substantial magnitude that no one caught in the midst of its wrath could overcome. FY 09 for OMS can be compared to this event. However, we are proud to report that the events that could have made us fall, made us stronger and better prepared for the future. Notable events that created the perfect storm:

- substantial budget reductions;
- implementation of a new statewide human capital management system;
- implementation of a new financial management system;
- a new Comptroller;
- retirement of two top leaders and
- changes in contract oversight process relative to stimulus funds from the federal government.

Strategic priorities

OMS' strategic plan for FY 09 consists of 17 objectives, of which, 7 were selected as strategic priorities for reporting in the performance-based as:

- provide a secure, reliable and efficient information technology (IT) infrastructure.
- develop and maintain IT solutions by applying project methodology.
- provide high quality customer services by meeting customers' needs.
- provide for the continuous, timely and accurate processing of payments and claims.
- offer recommendations to the procurement process to ensure compliance and integrity of the process that may result in potential savings to the state.
- provide technical oversight in Edison for human resources management activities.
- provide prompt, efficient and superior services and products to all customers.

What's inside

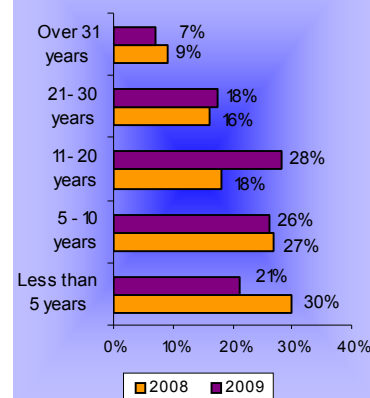
Overview and priorities

Our accomplishments

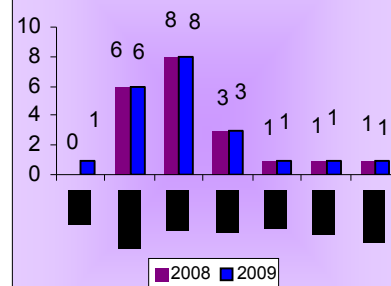
OMS financial

Future challenges

Years of State Service



Certifications



How does the OMS ensure the best customer and quality service to its customers? OMS hires the most qualified employees and values the institutional knowledge of its career employees (see above).

Our accomplishments

OMS statistics	FY 08	FY 09
Fiscal Services		
Travel claim transactions	8,987	6,202
Purchase order requests	1,090	857
Vendor invoices paid	3,045	4,096
Revenue transactions	1,648	1,479
Human Resources		
Employees paid monthly	566	538
Employees hired	27	13
Employee orientation classes	10	13
Administration & Procurement Oversight		
Contracts/RFPs reviewed	4,357	3,602
Information Technology		
Applications supported	40	40
Completed IT projects	8	7
Help desk calls resolved	1,653	1,491
Web updates	241	900
Operations and print jobs	1,114	4,111
Capitol Print Shop		
Print jobs processed	2,195	1,586
Mail items processed (thousands)	232	175
Impressions printed (millions)	10	6.6

New technologies

- Edison Human Capital Management module implementation in October 2008 and Edison Financial Management module implementation in January 2009 moved the COT forward into a more electronic intense environment to manage resources and finances.
- A web-based Filenet Barcode Application was developed to provide users the ability to create Filenet indices in barcode. Barcodes allow users to easily add metadata for indexing purposes and specify the location within the Electronic Content Management (ECM) module where documents are to be electronically stored, saving time and resources to file and scan documents.
- The Integrated Multi-Processing of Administrative and CAMA Technology (IMPACT) System (replacing multiple legacy systems and databases and individual spreadsheets and charts) has taken a major step forward in the State's green initiative by requiring an option for all individual and batch reports to be viewed online, greatly reducing the potential consumption of print resources. IMPACT updates information in real-time; therefore, the users can be confident that each report contains the most current information at the time of the inquiry or request.
- A new website -- BuyTNbonds.gov -- was created to provide information supporting the State bonds sales.

Managing change

OMS' performance measures are established in accordance with the goals of the COT in the strategic plan. OMS has met or exceeded 85% of the 54 performance measures established during this fiscal year.

Our accomplishments this year have not been as much about meeting strategic objectives as it has been about surviving the changes within the office and within State government as a whole. In this respect, our office has overcome great hurdles and achieved great heights in spite of the adversities.

First, OMS experienced a change in leadership in 2009. Comptroller Justin P. Wilson was elected as one of the three new Constitutional Officers which created a change in focus and outlook for the department, as a whole, for the first time in over 54 years.

Second, OMS lost a great deal of institutional knowledge and staffing. Two of our highest management level, career employees retired this year, thus taking a combined 79 years of knowledge with them. Both Mr. Harrison and Mr. Bilbrey had a working knowledge of all aspects of the office, and their retirement added to an already understaffed section working to meet the increased demands of reviewing and approving contracts.

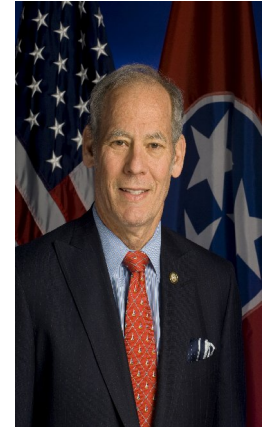
In addition, OMS worked through the implementation of two Edison modules, Human Capital Management (HCM) and Financial Sourcing Contract Management (FSCM), as well as the Electronic Content Management (ECM) system. This implementation has taken place while dealing with the challenges each has brought about. Changes in processes, queries and reports have created a learning curve for employees requiring a great deal of training and process re-engineering.

Finally, overcoming the budget issues has been a challenge. Due to diminishing revenues and the uncertainty of future revenue projections, we identified up to 11% in potential budget cuts for the COT. We were fortunate that our final budget cuts were 7% of our base budget for FY 2010-2011.

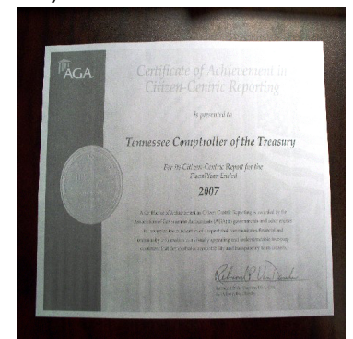
IMPACT - Cost Redirection

The implementation of IMPACT replaces today's maintenance and operations of 18 separate systems and tracking databases or tools. Additionally, the system will standardize all forms and reports eliminating the need for custom-sized pre-printed forms, thus allowing counties to print their own forms or view them online.

Removing services, support and maintenance on the individual systems is expected to realize a cost redirection of **approximately \$900,000 per year**. Additional cost savings are anticipated due to the system's improved data integration and information access.



Comptroller Justin P. Wilson
Elected into office January
2009 (see commentary to the
left).



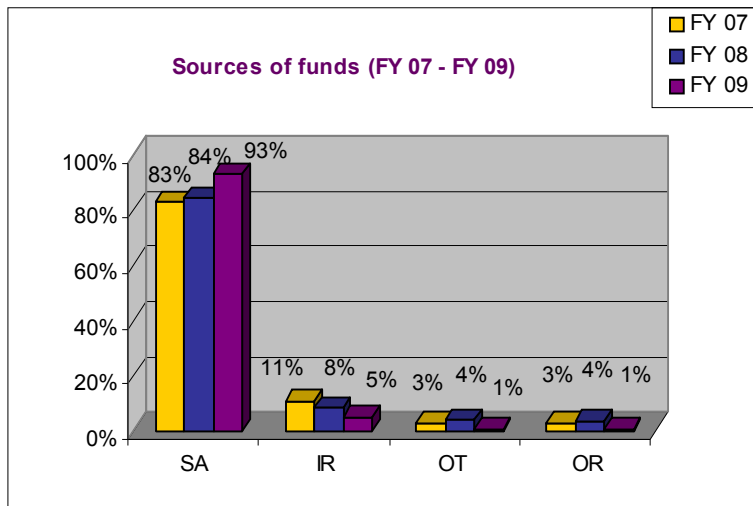
Special Honor

OMS was honored in January 2009 by the Association of Government Accountants (AGA) in January 2009 with a Certificate of Achievement in Citizen-Centric Reporting for its 2007 report. AGA awards this to governments and other entities to "recognize the publication of a report that communicates financial and community information in a visually appealing and understandable four-page document that demonstrates accountability and transparency to its citizens."

OMS was the first division within a department or agency to submit a Citizen-Centric Report as was designed and encouraged by AGA for providing a more user-friendly report.

OMS and CPS financial

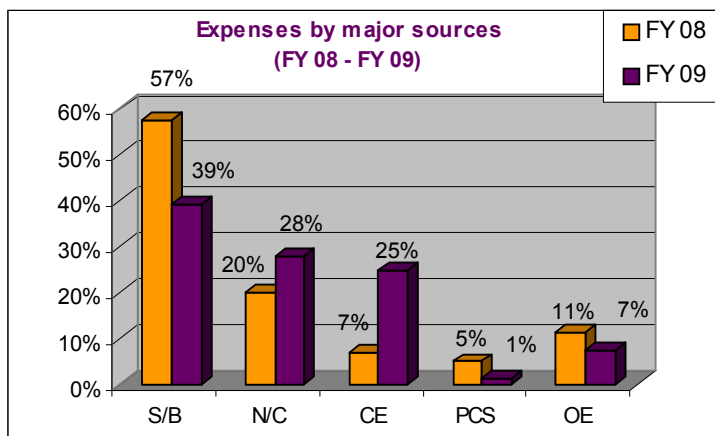
Sources of funds



Sources of funds (thousands)	FY 07	FY 08	FY 09
State appropriations (SA)	\$5,742.6	\$6,290.6	\$9,756.6
Interdepartmental revenue (IR)	749.1	632.0	574.6
Operating transfer used (OT)	200.0	260.0	368.5
Other revenue (OR)	263.0	277.3	79.7
Total sources	\$6,942.1	\$7,459.9	\$10,779.4

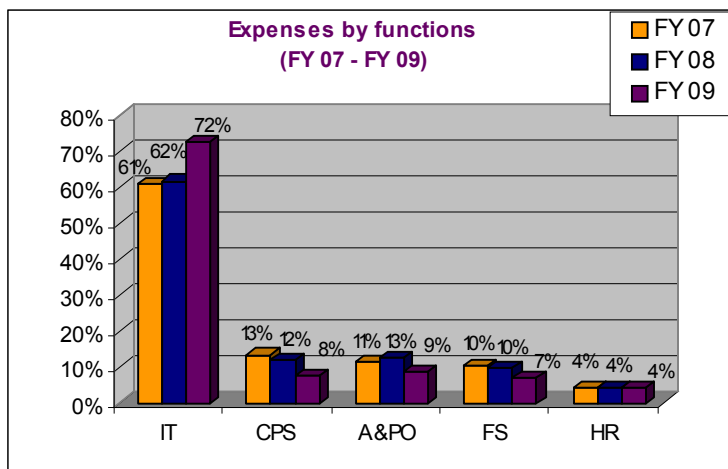
NOTE: State appropriations for FY 09 increased to fund the planned IT projects outlined in the chart below.

Expenses by major sources and functions



Expenses by major sources (thousands)	FY 08	FY 09
Salaries and benefits (S/B)	\$4,096.2	\$4,204.1
Network/communication (N/C)*	1,852.9	3,000.1
Computer equipment/supplies (CE)	721.7	2,668.4
Printing/communication/shipping (PCS)	339.6	132.5
Other expenses (OE)	443.2	774.3
Total expenses	\$7,453.6	\$10,779.4

* Includes services received from other State agencies



Expenses by functions (thousands)	FY 07	FY 08	FY 09
Information Technology (IT)	\$4,195.1	\$4,591.8	\$7,814.9
Capitol Print Shop (CPS)	925.6	886.5	825.0
Admin. & Procurement Oversight (A&PO)	779.1	935.7	939.4
Fiscal Services (FS)	719.2	727.7	770.8
Human Resources (HR)	299.7	311.9	429.3
Total expenses	\$6,918.7	\$7,453.6	\$10,779.4

NOTE: Significant payments were issued in FY 09 from the IT function for the Bond Finance Debt Management System, Network Attached Storage and IMPACT projects.

Future challenges



Melinda Parton, CGFM
Director of Management Services

Budget

The State's economic condition continues to affect all state agencies, and our office will be affected by the budget reductions. OMS has responsibility for identifying COT budget plans and reductions. The COT experienced loss through the elimination of vacant positions and not filling other vacant positions as employees retire or transfer for potential future reductions. OMS has been challenged with fewer resources, forcing us to look for efficiencies and the depth or extent to which services can be performed.

Technology changes

As more applications become web-centric, our office must keep up with the technologies in order to provide our customers the best possible web presence 24x7x365. Our internal customers and Tennessee citizens expect government websites to be available at any time. To do this, we:

- Predict problems before they occur and resolve them quickly as well as maintain equipment for a longer term as compared to previous years.
- Create web pages with databases and interactivity to provide users with more real-time information.
- Ensure connectivity to the Internet and other services provided by the Office for Information Resources and keep the network safe from hackers, viruses and malware for state employees.

Systems development

OMS implemented the ECM system which allows users to create, retrieve, manage/archive electronic/paper documents, email, audio, video and computer reports. Scanning documents will be time consuming in the beginning years, but the benefits will be registration, self service and tracking of data.

OMS has been working with the Division of Property Assessments to develop and implement IMPACT by 2011. The IMPACT project team must have the following in place before moving to production:

- A secure, stable technology environment.
- A robust product suite.
- Data conversions that correctly move data into the new system.
- Interfaces that share financial/business data between IMPACT and other systems.
- A business and technical training program, presented "Just-in-Time."
- A single-point end user support service.
- Extended communication before and after implementation events.

Procurement oversight

OMS provides support to the Comptroller relative to the legislative roles identified in the procurement process through staff roles to procurement related boards, committees and commissions. OMS through statute participates in an administrative oversight role in the review and approval of contracts. Through this role, OMS serves other state agencies through this process.

OMS processed 3,602 contracts, amendments and requests for proposal in FY 09. This is 85% of all service contracts processed through the State with a maximum liability over the term that exceeds \$5 billion. New challenges with the passage of the American Recovery and Reinvestment Act (ARRA) in February 2009 provided opportunities to participate in establishing language in compliance with federal guidelines to ensure accountability and transparency in contracts funded by ARRA.

The Edison financial module which includes the supplier or contract process was implemented in five stages with state agencies implementing during each stage. OMS was challenged in operating under two different processes until the final phase was implemented October 2009. Challenges ahead include changing and streamlining our contract processing to ensure we turn around contracts in a timely manner.

While these challenges seem great, the benefits will eventually exceed the effort.

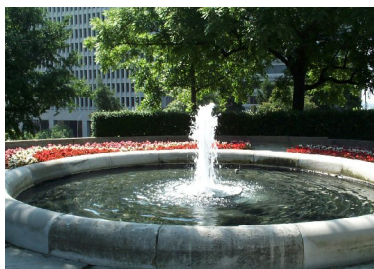


"Being a leader is more than just a title. It's using your leadership skills to help others make a decision."

Author Ernie Almonte,
AICPA Board Chairman



Fall colors in Tennessee. Picture taken by OMS employee, Kelcey Casson.



The fountain overlooks the flowers at the Capitol, and the James K. Polk building can be seen in the background. Picture taken by OMS employee, Paula Bingham.

For more information about the Comptroller's Office of Management Services, visit our website at:

www.tn.gov/comptroller/oms

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